Ministry of Finance

Annual Report for 2014-15

saskatchewan.ca

Government of Saskatchewan

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Letters of Transmittal

The Honourable
Kevin Doherty
Minister of Finance

Her Honour the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I respectfully submit the Annual Report of the Ministry of Finance for the fiscal year ending March 31, 2015.

The Ministry's Annual Report demonstrates how Finance has contributed to the goal of keeping Saskatchewan strong. A resilient and diverse economy is the foundation of a strong province, helping to improve the quality of life for all Saskatchewan people. We have continued our work to encourage economic growth through low and competitive taxes for individuals and businesses; by investing in infrastructure to support a growing population; and by carefully managing spending.

The 2014-15 Annual Report illustrates the progress of the Ministry of Finance in supporting the Government's decision-making processes by providing sound advice, analysis and recommendations. On behalf of the Ministry of Finance, I am pleased to provide the 2014-15 Annual Report to the legislature and to the people of Saskatchewan.

Sincerely,

Kevin Doherty
Minister of Finance

Clare Isman
Deputy Minister
of Finance

The Honourable Kevin Doherty
Minister of Finance

Dear Sir:

I have the honour of submitting the Annual Report of the Ministry of Finance for the fiscal year ending March 31, 2015.

The Ministry of Finance operates as a central agency providing oversight of Government revenue, expenditures and assets and ensuring accountability for public funds.

Finance is the lead ministry for fiscal, tax and pension policy; budget development; managing cash and provincial debt; designing and delivering pension and benefit administration; labour relations advice to Government; and accurate reporting of budgeted and actual results. The Ministry also administers various tax bases on behalf of the Province and establishes the framework for proper accounting and administrative controls across Government.

As Deputy Minister of Finance, I take responsibility for our Ministry's public accountability and ensure that the information and content of the 2014-15 Annual Report is meaningful, complete and accurate.

Respectfully submitted,

Clare Isman
Deputy Minister of Finance
June 30, 2015

Introduction

This annual report for the Ministry of Finance presents the Ministry's results on activities and outcomes for the fiscal year ending March 31, 2015. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2014-15 Plan. The report also demonstrates progress made on Government commitments in the Government Direction for 2014-15: Steady Growth, the Saskatchewan Plan for Growth – Vision 2020 and Beyond, throne speeches and other commitments and activities of the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Ministry's activities in 2014-15 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Meeting the challenges of growth.
- Securing a better quality of life for Saskatchewan people.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mandate Statement

The Ministry is responsible for oversight of government revenue, expenditures, and assets. Finance is the lead ministry for economic and fiscal policy; budget development and integrity; managing provincial debt; designing and administering fair, efficient and competitive tax regimes; pension and benefit administration; labour relations advice to government; ensuring accountability to both the public and the Legislative Assembly for the use of public funds; and ensuring effective financial management and accounting policies and procedures.

Mission Statement

The Ministry of Finance supports excellence in governance and public administration through economic, financial and fiscal expertise, leadership and services.

Ministry Role

The Ministry of Finance plays a unique role in the affairs of the Province of Saskatchewan. As a central agency, the Ministry is responsible for advising the Government on financial implications associated with policy decisions that span across all ministries and agencies.

The Ministry, with direction from Treasury Board and Cabinet, assists in managing and controlling the finances of the province to ensure appropriate use of public funds. The Ministry also analyzes and provides advice on tax policy matters, ensuring a fair and competitive tax regime that supports the Government's spending and debt strategies.

These responsibilities are accomplished while maintaining a close working relationship with the federal government, provincial governments across the country, and other government bodies within the province to effectively address financial issues of mutual concern.

The Ministry of Finance is responsible for receiving the majority of revenues for the Government of Saskatchewan. These include revenues from taxation, transfers from government entities, such as the Crown Investments Corporation of Saskatchewan, and transfers from the federal government. Payments are disbursed through the Ministry to fund public services such as health care, education and road maintenance.

The Ministry also provides services directly to the public by administering provincial tax programs, including the Provincial Sales Tax, and undertaking communication initiatives to keep the public informed about finance-related issues.

Finance's full-time equivalents (FTE) budget for 2014-15 was 325.4 compared to an actual FTE utilization of 315.4. The variance of 10.0 FTEs was primarily due to vacancy.

Staff are primarily located in Regina, with regional offices in Saskatoon and Yorkton.

A complete listing of all publications produced by the Ministry of Finance and the Public Employees Benefits Agency can be found at: http://finance.gov.sk.ca and http://peba.gov.sk.ca.

Progress in 2014-15

Government Goals:

Sustaining Growth and Opportunities for Saskatchewan People;

Meeting the Challenges of Growth;

Securing a Better Quality of Life for all Saskatchewan People

Ministry of Finance Goal:

Achieve balanced budgets while addressing Government's stated priorities

Progress

Within the context of the Ministry's ongoing review of provincial tax policies to ensure the tax system is fair, adequate and competitive, the Saskatchewan Plan for Growth sets out the following priorities and specific actions as affordable within a balanced budget:

Lower the general corporate income tax rate from 12 per cent to 10 per cent.

- As per the Saskatchewan Plan for Growth commitment to proceed with the reduction when affordable and sustainable within a balanced budget, this action will be revisited during preparation of the 2016-17 Budget.

Continue to pursue business tax competitiveness to ensure Saskatchewan remains one of the best places in Canada to start and grow a small business.

- Saskatchewan's two per cent small business tax rate remains the second lowest in the country.
- The 2015-16 Budget announced the creation of the Manufacturing and Processing Exporter Tax Incentive to encourage eligible businesses to expand their production capacity and increase their exports, in support of greater diversification of the provincial economy.

Continue to pursue personal income tax competitiveness.

- As per the Saskatchewan Plan for Growth commitment to proceed with tax reductions when affordable and sustainable within a balanced budget, this action will be revisited during preparation of the 2016-17 Budget.

Tax Performance Measure

1. Income and Sales Taxes Paid by Representative Taxpayers

Saskatchewan's tax levels for representative taxpayers reflect the amount of after-tax or disposable income available to residents. Declining tax levels therefore suggest improvements in the relative prosperity of residents. A negative tax level indicates that refundable tax credits exceed taxes payable.

The calculations upon which the performance measurements are based use internal tax simulation calculations. Each of the measures is based on determining combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- each family has two dependent children;
- for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- the single parent family and the two-income family claim $3,000 in deductible child care expenses; and
- each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions.

The Provincial Sales Tax is calculated based on average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The refundable Saskatchewan Low-Income Tax Credit is also incorporated into the calculations.

Since 2007, reductions to Saskatchewan's sales and income taxes have significantly improved the fairness of the provincial tax system.

Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single parent family earning $25,000	$176	$20	$(177)	$(128)	$(168)	$(182)	$(178)	$(187)	$(194)
One-income family earning $50,000	$3,679	$2,207	$2,098	$1,858	$1,471	$1,277	$1,186	$1,117	$1,003
Two-income family earning $75,000	$6,096	$4,710	$4,601	$4,571	$4,117	$3,965	$3,923	$3,874	$3,780

Source: Ministry of Finance, Tax Simulation Models

Identify opportunities to facilitate corporate presence and private-sector economic growth by introducing new non-refundable tax credits to attract investment, with an initial focus on encouraging new capital investment in the province's manufacturing and processing sectors.

- The Ministry continues to work with the Ministry of the Economy to examine opportunities to apply new-growth tax incentives in an equitable manner.
- The 2015-16 Budget introduced two new growth tax incentives to encourage greater diversification of the provincial economy. The Manufacturing and Processing Exporter Tax Incentive encourages eligible businesses to expand their production and head office employment and increase their exports. The Primary Steel Production Tax Rebate encourages eligible businesses to make new capital investments in primary steel productive capacity in the province.

Monitor Saskatchewan's tax system, including credits and incentives, to ensure it is contributing to economic growth and making Saskatchewan a competitive place to start and grow a business by facilitating business attraction and investment expansion.

- The Ministry has completed reviews of the Research and Development (R&D) Tax Credit, the Graduate Retention Program and the Active Families Benefit, resulting in the changes to these programs that were announced in the 2015-16 Budget.
- The R&D Tax Credit was made fully non-refundable and the rate was reduced from 15 per cent to 10 per cent, effective April 1, 2015.
- The tax credits associated with the Graduate Retention Program were made fully non-refundable effective for the 2015 taxation year. Any unapplied tax credits can be carried forward for up to 10 years from the year of graduation. This change will better align benefits with attracting and retaining graduates in support of growing the Saskatchewan economy.
- Effective from the 2015 taxation year, eligibility for the tax credit associated with the Active Families Benefit is restricted to families with net incomes up to $60,000. This change will better target the benefit to those families most in need of support.

Tax Performance Measure

1. Interprovincial Tax Comparisons

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers reflects the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces.

The calculations upon which the performance measurements are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers.

- Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.
- Provincial sales taxes are calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province.

	Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single parent family earning $25,000	3rd	2nd	2nd	2nd	1st	2nd	2nd	2nd	2nd
One-income family earning $50,000	3rd	2nd	2nd	2nd	2nd	2nd	2nd	1st	1st
Two-income family earning $75,000	4th	3rd	3rd	2nd	2nd	2nd	2nd	2nd	2nd

Source: Ministry of Finance, Tax Simulation Models

- Refundable provincial income tax credits designed to reduce the impact of income and sales taxes are also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the competitiveness of the provincial tax system (see above).

During 2014-15, implement revenue initiatives announced in the 2014-15 Budget, including amending The Income Tax Act, 2000 to:

Maintain the provincial income tax reduction for credit unions in response to the phase-out of the federal tax reduction.

- The legislation was amended and passed on May 14, 2014.

Adjust the provincial dividend tax credit rate for non-eligible dividends in response to the federal change to the dividend gross-up rate.

- The legislation was amended and passed on May 14, 2014.

Invest $2.5 billion over the next three years in infrastructure.

- Government is on track to exceed the Saskatchewan Plan for Growth commitment to invest $2.5 billion in infrastructure over a three-year period (between 2013-14 and 2015-16).

Facilitate improved infrastructure planning by developing options to release a capital plan for the next fiscal year each fall.

- Work completed in 2014-15 provided for the release of the first, four-year Saskatchewan Builds Capital Plan which was included with the 2015-16 Budget.

Work with SaskBuilds, ministries and others to: drive innovation in infrastructure financing, design and delivery, including public-private partnerships; and facilitate investment in the infrastructure needed to support health, education and quality of life priorities.

- SaskBuilds is the primary lead on this initiative, along with various ministries and the Ministry of Finance.
- One Public-Private-Partnership (P3) project is currently under construction – the Swift Current Long-Term Care Centre. Three other P3 projects are being evaluated – the Regina Bypass project, the Joint-Use Schools and Saskatchewan Hospital at North Battleford-Integrated Correctional Facility.
- All new capital projects in the Ministry of Health are now required to complete a Production Preparation Process (3P) Lean process contributing to the efficient design of the new facilities. The Ministry of Education also implemented a 3P Lean process for the nine new Joint-Use Schools.

Work with ministries and agencies to provide options for adequately resourced expenditures that are aligned with Government's economic and social priorities.

- All ministries were required to develop plans that align with Government's vision, goals, commitments and priorities.
- Steps were taken to better demonstrate alignment of expenditures with Government priorities and to ensure that Government commitments and other funding priorities were managed within available resources.

Provide fiscal policy options for continued balanced budgets.

- Options were provided to support achievement of a balanced budget for 2015-16.

Monitor progress on reducing Government general public debt to half its March 31, 2008 level by March 31, 2017.

- Government general debt met the March 31, 2014 target of $3.8 billion that was identified in the 2013-14 Budget.
- Continued monitoring of progress toward the March 31, 2017 goal will occur.

Service outstanding debt ensuring the timely and accurate payment of interest and principal and reduce outstanding debt as directed.

- Debt servicing is a continuous process. During 2014-15, all outstanding debt was serviced timely and accurately.

Maximize the return on investment of sinking fund and Growth and Financial Security Fund monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds and;

Provide cash management services for the General Revenue Fund (GRF), Crown corporations, and other Government agencies.

- The Ministry ensured that the short-term cash requirements of Crown corporations and Government agencies were met; and the Government was able to fund its ongoing cash requirements.

Continue to achieve Public Service Renewal through focused efforts on:

Core Service Review
Conduct program reviews as per the Ministry plan.

- The Ministry has revised its program review schedule to ensure that the schedule best aligns program reviews that should be completed concurrently.

Simplification
Use LEAN methodologies and techniques to conduct process efficiency reviews, building upon our Ministry's culture of continuous improvement.

- The Ministry undertook significant process review as part of the Revenue Management System renewal project. The Ministry also undertook exercises to map all Treasury and Debt processes so that they could be examined for efficiency. There are efforts underway in various areas of the Ministry to ensure that critical process documentation is current for training purposes as employees retire.

Enterprise Approaches
Actively apply an enterprise approach to initiatives/projects underway in the Ministry, and participate in cross-ministry initiatives.

- The Planning and Accountability Management System is an enterprise-based initiative focused on the needs of the customer.
- The Ministry is working with ministries to develop an Enterprise Risk Management framework for all ministries to follow.

Citizen-Centered Service
Identify improvement projects and apply a citizen-centered lens to initiatives and projects underway in the Ministry.

- Through replacement of the revenue management system, the Ministry will be implementing process improvements that will improve service to 56,000 businesses and 32,000 farmers operating in Saskatchewan.

People Management
Implement the Ministry Workforce Plan, with particular attention to succession management, training and development, and organizational culture.

- The Ministry is undertaking a strategic workforce plan to be completed in 2015-16.

Government Goal:

Responsive and Responsible Government

Ministry of Finance Goal:

Expert and balanced contribution to effective and efficient decision-making

Progress

Review provincial tax policies to ensure the tax system is fair, adequate, and competitive.

- This work is ongoing with analysis and advice brought forward to Treasury Board and Cabinet during each budget cycle.
- Several initiatives were announced in the 2015-16 Budget, including the creation of the Manufacturing and Processing Exporter Tax Incentive and the Primary Steel Production Tax Rebate to incent greater diversification of the provincial economy. The Budget also included changes to the Graduate Retention Program, the Active Families Benefit and the Research and Development Tax Credit to ensure their ongoing sustainability and improve their alignment with Growth Plan objectives.

Work with provincial agencies to annually review own-source budgetary revenues for which they are responsible.

- This work is ongoing with analysis and advice brought forward to Treasury Board and Cabinet during each budget development cycle.
- As part of the 2015-16 Budget development process, decisions were taken to increase mediation service fees, adjustments to liquor and gaming permit fees and the creation of a new industrial water rights fee.

Continue to review, with federal and provincial governments, Canada's current retirement income system. Actions include monitoring the implementation of Pooled Registered Pension Plans (PRPPs) in Saskatchewan and across Canada, as well as continuing to consider options to improve retirement income adequacy.

- Provincial legislation respecting PRPPs in Saskatchewan passed in May 2013. The Governments of Alberta, British Columbia, Quebec and Nova Scotia have also passed PRPP legislation. As of March 31, 2015, Ontario had introduced, but not yet passed, PRPP legislation.
- Saskatchewan continued to work with other provinces and the federal government on a multi-lateral agreement to ensure efficient regulation and supervision of PRPPs across Canada. Work continues into 2015-16. Once the agreement is completed, the Act will be proclaimed and all the regulatory provisions will be in place for PRPPs to be offered to Saskatchewan workers.
- In October 2014, the federal government announced that five large insurance companies have registered a PRPP with the Office of the Superintendent of Financial Institutions and the Canada Revenue Agency. This means that PRPPs are now available in sectors regulated under federal legislation.
- Work continues on the 2013-2015 Triennial review of the Canada Pension Plan. Finance officials are working with federal, provincial and territorial counterparts to examine the impacts of the forthcoming increases to the age of eligibility for Old Age Security on Canada Pension Plan disability and survivor benefits.

Provide guidance and advice to promote the use of a market-based compensation approach to ensure settlement of competitive collective agreements in a timely manner and within the parameters established by Cabinet.

- All public sector and quasi-public sector employers have had success in implementing market based/ market competitive concepts in collective agreement settlements.
- Fifteen out of 39 collective agreements in the broader public sector were concluded in 2014-15.

Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet government and Crown requirements.

- The monitoring of capital markets is a continuous process. During 2014-15, the Ministry fulfilled the borrowing needs of government and Crown corporations.

Work with ministries and the federal government to develop fair and effective federal/provincial agreements that address common interests.

- This work is intended to ensure that financial implications of federal/provincial agreements are properly accounted for and have received appropriate approval. During 2014-15, approximately 30 federal/provincial fiscal agreements were reviewed and proceeded to Cabinet for approval.

Participate in ongoing discussions with federal, provincial and territorial governments on issues related to the major intergovernmental fiscal arrangements, including transfers in support of health care, post-secondary education and social programs.

- The Ministry acts as the Government's principal contact with the federal government on major intergovernmental fiscal transfers, including the Canada Health Transfer (CHT), Canada Social Transfer (CST) and Equalization. Although the federal government holds consultations with provinces and territories on an ongoing basis, no formal agreement with provinces or territories is required.
- In 2014-15, Saskatchewan received $1.396 billion in federal funding in support of health and social programs through the CHT and CST. Saskatchewan did not receive Equalization funding.

Ministry of Finance Goal:

High quality, timely and accurate reporting

Progress

Prepare timely, reliable, and relevant Summary Financial Statements.

- Government's financial statements demonstrate accountability for the resources, obligations and financial affairs for which the Government is responsible. Continued strong financial reporting through timely, reliable and relevant financial statements is essential to strong accountability.
- Timeliness, reliability, and relevance of financial statements contribute to Government's accountability.
- Summary Financial Statements for 2013-14 were prepared and tabled in June.

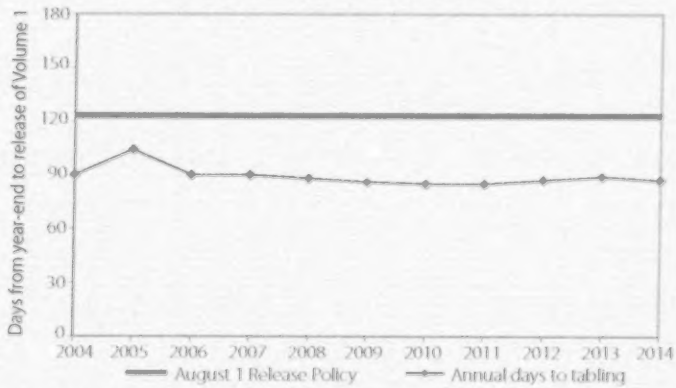
Financial Statements and Planning Performance Measure

1) Timeliness of the Release of Public Accounts, Volume 1

The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled in accordance with *The Financial Administration Act, 1993* (FAA). The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other Government organizations. Volume 1 contains the financial statements of the Government of Saskatchewan.

Timeliness of financial statements contributes to Government's accountability and demonstrates the Ministry's leadership for good governance, transparency and accountability across Government. Under the FAA, the Public Accounts must be tabled on or before October 31. The Government has established a policy of tabling Volume 1 of the Public Accounts no later than August 1. For the last several years, the Government has tabled Volume 1 in June.

Timeliness Trend
Release of Volume 1 of the Public Accounts



Source: Saskatchewan Public Accounts

Ensure Government-wide accounting policies are in accordance with Public Sector Accounting Board (PSAB) pronouncements.

- The Ministry continued implementation of accounting standards on financial instruments, foreign currency translation, and liabilities for contaminated sites.

Review and approve financial statements of Treasury Board Crowns and agencies, and oversee Government-wide annual plans, performance measurement and annual reporting.

- The financial statements of 133 government entities were reviewed.
- The Ministry provided guidelines, templates and consultation for continuous improvement of annual plans, measures and annual reports. Continuous improvement opportunities identified are being pursued within the Planning and Accountability Management System. Ministries provide to the public information on what they plan to do, how they will measure success and then report on what was achieved.

Financial Statements and Planning Performance Measures

1. Percentage of Entities Meeting Tabling Deadline

The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Executive Government Administration Act*, entities are required to table their financial statements within 120 days of their year-end. 93 per cent of financial statements in 2014-15 were tabled on time.

The Ministry, on behalf of Treasury Board, provides approval of the form and content of the financial statements in advance of the tabling. Finance helps ensure Government entities table their financial statements on time through clear communication of tabling deadlines and by monitoring compliance with tabling deadlines. The Ministry's role contributes to timely, reliable and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates the Ministry's leadership for good governance, transparency and accountability across Government.

Fiscal Year	Percentage of Entities Meeting Tabling Deadline
2014-15	93%
2013-14	89%
2012-13	94%
2011-12	91%
2010-11	86%
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

2. Provincial Auditor's Assessment of Government's Accountability System

The Provincial Auditor of Saskatchewan independently assesses Government's performance and provides recommendations to improve accountability practices. The table below is a summary of reports the Provincial Auditor has given since 2009. The Provincial Auditor is satisfied with the way government develops its reports on performance.

The Ministry uses information in the Provincial Auditor's reports to help Government improve its planning and reporting practices. The most recent assessment occurred in 2014. The Provincial Auditor looked at the quality of annual reports. They also reviewed the guidelines made by the Ministry to make sure that the direction given inside government is sound. A few suggestions were made, and recently the Provincial Auditor concluded that changes suggested to annual reports have been implemented.

The Ministry expects that the Provincial Auditor will continue assessing government's documents and providing advice.

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of ministry plans and reports
2014 Report	Yes	Implemented*
2013 Report	N/A	N/A
2012 Report	N/A	N/A
2011 Report, Vol. 2, Ch. 26B	Yes	Improving**
2010 Report	N/A	N/A
2009 Report, Vol. 3, Ch. 19	Improving	Improving**

Source: Provincial Auditor's Reports, available online at www.auditor.sk.ca

** In 2014 the Provincial Auditor assessed a wide sample of ministry annual reports and concluded in its letter to the Minister of Finance and the report "Ministry of Finance - Quality of Annual Reports Follow Up" that the status of the outstanding assessment items surrounding measures and targets is "implemented".*
***In 2009 and 2011, the Provincial Auditor assessed a small sample of ministries and concluded that "public plans of ministries are improving".*
Not Applicable (N/A) means that the Provincial Auditor did not include a specific chapter on government accountability at that time.

Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.

- The Ministry filed and has complied with all requirements of the U.S. Securities Exchange Commission and the Swiss Stock Exchange.

Provide input into the activities of Canadian and international accounting standard setting bodies.

- Accounting policies continue to evolve and have implications for the Government. Providing input into the activities of government accounting standard setting bodies ensures accounting polices result in relevant and reliable Government financial statements.
  - o PSAB activities were closely monitored and the Provincial Comptroller's Office provided feedback to PSAB on documents issued for comment. The review of PSAB's conceptual framework, which contains the fundamental concepts upon which accounting standards are based, is an area of focus. Other significant projects include revenue and assets.
  - o The Ministry continued to monitor international accounting standards, particularly those that may influence Canadian accounting practices.
  - o The Ministry is represented on the Public Sector Accounting Discussion Group, a group of financial statement preparers, auditors and users from across Canada that assists PSAB regarding issues arising out of the application of PSAB standards.
  - o The Ministry worked with the Ministry of Justice on the review of regulatory bylaws under *The Accounting Profession Act* (Act) prior to approval by the Minister of Finance. After the regulatory bylaws were approved, the Act was proclaimed that established the Institute of Chartered Professional Accountants of Saskatchewan and that regulates the accounting profession in Saskatchewan.

Implement communication strategies delivering messages to external audiences related to, but not limited to, the Provincial Budget, financial reports, Public Accounts and Provincial Auditor's reports.

- Online, mainstream and unpaid media campaign for the Provincial Budget led to 28,000 external web visits.

Regular reporting on the status of public sector collective bargaining.

- Summaries are provided at every Sub-Committee on Public Sector Bargaining Meeting.

Ministry of Finance Goal:

Provide services that meet clients' needs in the most effective and efficient manner

Progress

Develop and implement a governance policy for the ongoing operation and funding of Multi Informational Database Applications (MIDAS).

- The Ministry continues to provide overall direction on the effective use of the Government's accounting system known as MIDAS as an Enterprise solution for the Government of Saskatchewan.

Provide accounts payable and travel expense claim processing services for executive government and continue to refine processes to maximize efficiencies.

- The second year of providing centralized accounts payable and travel expense claim processing services for Executive Government was successfully completed in 2014-15.
- Refinements were introduced to further improve and streamline processing and client service, and ensure timeliness is maintained.

Effectiveness Performance Measure

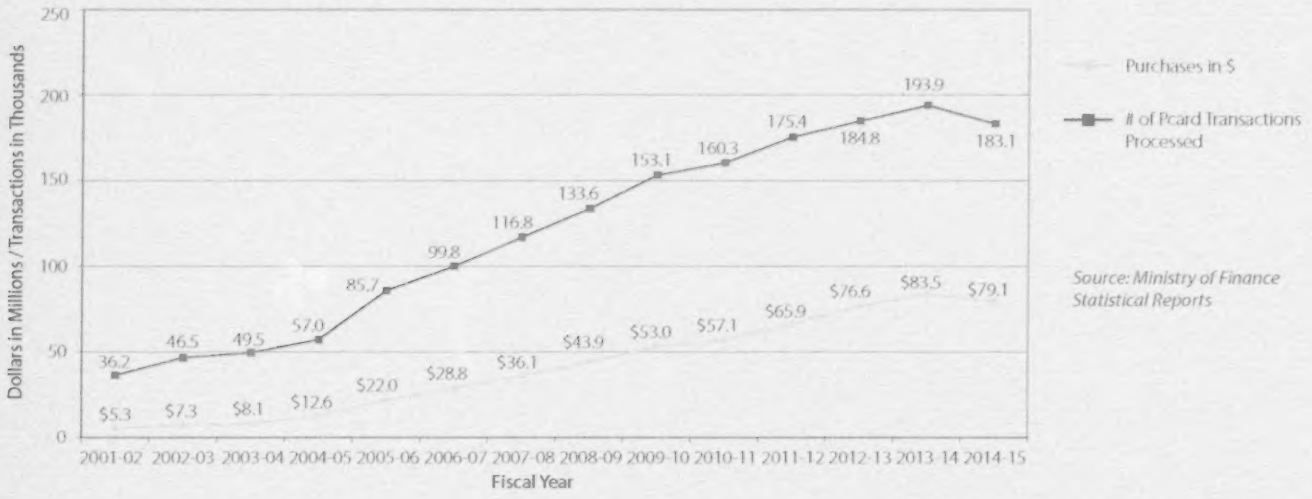
1. Purchase Card Usage in Government

Purchase cards are a cost-effective way of making payments. Through the use of purchase cards, the government is able to reduce costs associated with the processing and payment for purchases of goods and/or services up to a $10,000 per transaction limit.

The total number and dollar value of purchase card transactions provides a measure of the level of efficiency being achieved.

For 2014-15, the number of purchases reached 183,148 transactions totaling $79.1 million, down 5 per cent from 2013-14. A significant reason for the decrease in usage from the prior year is attributable to the expenditure restraint measures that were in effect for the fourth quarter of the fiscal year. The Ministry continues to work to improve the usage across government, which contributes to the best use of public funds.

Purchase Card Program Fourteen Year History



Source: Ministry of Finance Statistical Reports

Introduce system enhancements to further improve the efficiency of accounts payable processing.

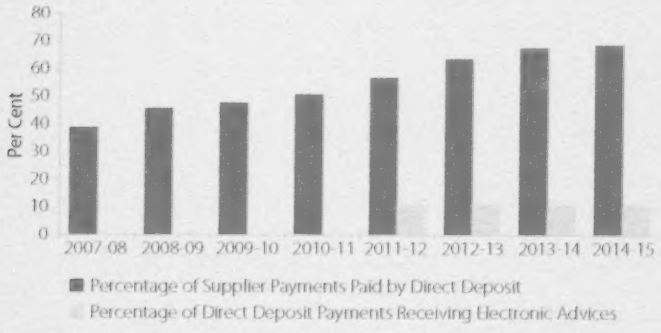
- Reviewed potential system enhancements and identified possible options for future implementation.
- Refinements were introduced to further improve and streamline processing and client service, and ensure timeliness is maintained.

Effectiveness Performance Measure

1. Direct Deposit and Electronic Advice Usage for Supplier Payments

Continuous improvements in the efficiency of the government's payment processes have been achieved through the use of direct deposit and by providing electronic payment advice, which is typically information about payments that have been deposited into accounts. This is an ongoing program that started in 2007-08. Moving to direct deposit and electronic payment advice contributes to the best use of public funds. In the eight years that the measure has been reported, direct deposits have increased from 38 per cent to 69 per cent. Commencing in 2011-12, electronic advices were offered as an option to paper. Currently 11 per cent of the advices are distributed electronically.

The Ministry continues to pursue the elimination of cheques and paper advices.



Source: Ministry of Finance

Lead, coordinate and support the continued transformation of program review across government.

- The Ministry gathered feedback and provided direction, guidance and support to ministries and agencies to improve program review processes and results. Each ministry has a program review schedule and reports once a year to the Deputy Minister Committee and to Treasury Board on progress and on highlights from successful program reviews. Program review results are informing ministry plans and budgets.

Assist public sector employers' in strategy development and problem resolution as collective bargaining proceeds.

- Ministry staff work with employers to assist in the development of mandate submission as well as with employers' negotiators to ensure adherence to approved mandates. Public sector employer cooperation in sharing collective agreement information and bargaining strategies is encouraged.

Explore opportunities to implement new revenue management technologies that create efficiencies and improve client service delivery.

- The Ministry completed a detailed business case, conducted a rigorous procurement process, and selected a vendor to assist with implementing a new, integrated revenue management system. The new system will provide a single view of businesses across tax programs that will increase efficiency, enhance customer service, and provide improved self-service capabilities.

Effectiveness Performance Measures

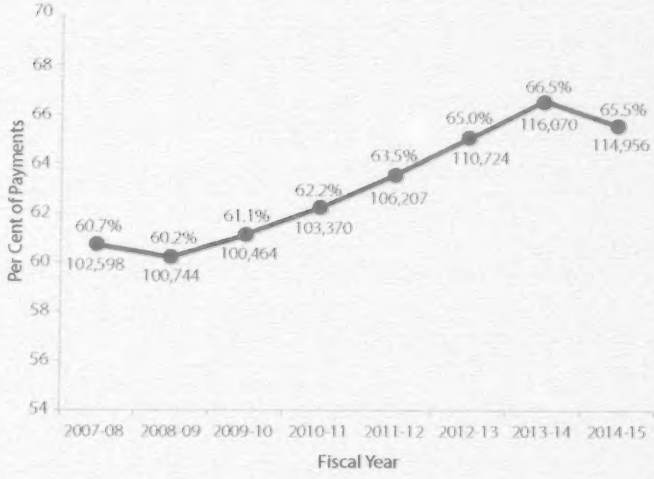
1. Percentage of Tax Payments Processed Electronically

The Ministry strives to provide excellent client services by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically measures how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from internal statistical reports.

The Ministry continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown over time, and efforts to promote the use of electronic services will continue. However, Finance has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque.

The percentage of tax payments processed electronically for 2014-15 decreased by one per cent. The decrease is primarily due to Credit Unions no longer accepting tax payments under the Acceptance of Payments Agreement. While some businesses affected have converted to other forms of electronic payment services, some have reverted back to non-electronic processes.

Percentage of Tax Payments Processed Electronically

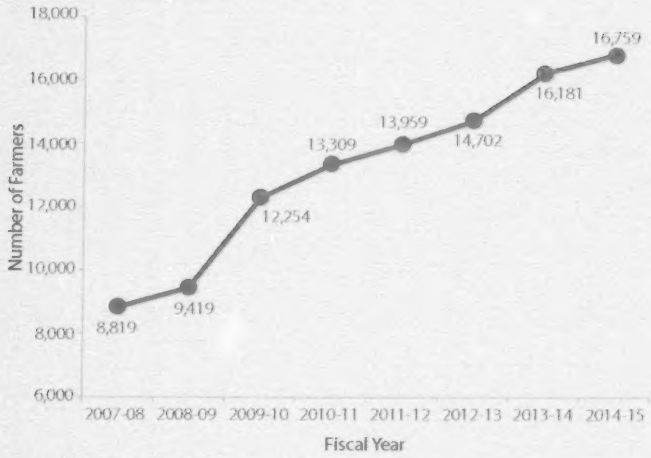


2. Number of Farmers that Applied for Fuel Tax Permit Renewals Online

Saskatchewan Electronic Tax Services (SETS) offers farmers a secure, fast and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. The number of farmers that filed permit renewals online tracks Finance's progress towards easing tax compliance and reducing the regulatory burden.

As a result of a Lean project completed in 2012-13, recommendations were implemented to provide efficiencies in the administration of the Farm Fuel Program. Through the automation of manual processes and reallocation of resources, processing timeliness and client service have and will continue to improve. The Ministry continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration.

Number of Farmers Using SETS



Source: Ministry of Finance

Deliver financial management fundamentals training for employees to build financial management capacity in the public service.

- The Ministry continued to support the Public Service Commission's delivery of training for new employees on effective financial management and control practices and to provide ongoing purchase card holder, approver and coordinator training for ministry employees. During the year, training was delivered to ministry officials to further their understanding of how their ministries' transactions impact the Summary Financial Statements (SFS). Training was also provided to employees in ministries and government organizations involved with proposed public-private partnership (P3) arrangements to discuss accounting for these arrangements.

Provide quality service to pension and benefit plan supervisory boards, participating employers and plan members through: annual assessments of initiatives and activities to ensure ongoing conformity with best practices for pension and benefit plans; regular reporting to governance bodies with respect to service standards and performance; and participation in annual strategic and risk management planning with governance bodies.

- Annual assessments of governance initiatives and activities were undertaken, to ensure they align with best practices.
- Quarterly reporting to governing bodies regarding performance in relation to service standards.
- Annual strategic and risk management planning occurred during the year.

Ministry of Finance Goal:

Effective policy, processes and oversight that supports excellence in governance and ensures accountability and compliance

Progress

Ensure government-wide financial management policies and procedures are sound.

- Financial Administration Manual (FAM) policies and procedures were monitored and updated as required. FAM communicates to ministries and public agencies, polices, procedures and guidance necessary to support sound financial management and control of and accounting for public resources.
- The Ministry provided advice on financial management, accounting, and internal control issues. Support and direction was provided to ministries on issues as they emerged, and through regular processes, such as the review of draft legislation/regulations and Provincial Auditor reports.

Lead and support key components (planning, budgeting and reporting) of government's planning and accountability framework.

- The Ministry provided direction, feedback and support to ministries and agencies throughout government on their planning, budgeting, performance management and reporting efforts.

Lead, coordinate and support improvements to the Planning and Accountability Framework.

- The Ministry led a project team that is implementing recommended improvements to the planning, budgeting and reporting process and outcomes. Implementation of the recommendations will continue through 2016-17.

Assess the internal audit function across government.

- The Ministry completed preliminary research on options for improving the internal audit function across all ministries.

Assess the internal controls of the government's financial systems and assist in the development and implementation of improvements where required.

- The Ministry looks for significant deficiencies in financial programs/systems by conducting internal control reviews.
- Ministry programs and payments were audited using a risk-based approach. On a quarterly basis, the Ministry publicly reported losses of public money in ministries and Treasury Board Crowns.

Continue to support, monitor and make enhancements to real-time validation projects.

- Support of the real-time system that administers the First Nations Fuel and Tobacco Tax Refund program is a continuous process. In 2014-15, the Ministry successfully resolved all issues resulting from technology updates and introduced enhancements to improve the efficiency of validating purchaser identification numbers.

Implement the Ministry's Information Technology (IT) strategic plan and risk register.

- The work is underway to develop the IT strategic plan and risk assessment.

Promote compliance with Saskatchewan's tax programs through quality service, taxpayer education and responsible, effective enforcement.

- The Ministry continues to provide quality service and accessible, reliable information as committed to in the Taxpayer Service Commitments and Standard Code. In 2014-15, the Ministry worked in partnership with SaskBuilds to assist proponents bidding on P3 contracts to better understand their obligations under the various tax acts administered by the Ministry. This work included complex tax rulings on the application of tax for the Regina Bypass and Joint-Use Schools projects.

Tax Administration Performance Measure

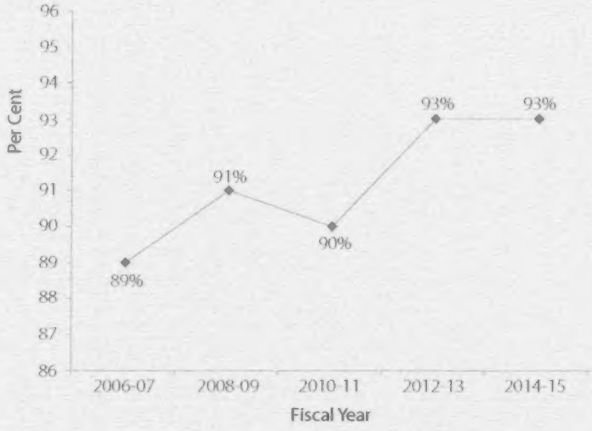
1. Client Satisfaction (of Businesses which Collect Taxes on Behalf of Government)

In 2002-03, the Ministry committed to conducting biannual satisfaction surveys of businesses collecting taxes on behalf of the government. This measures whether these clients are satisfied with the Ministry's quality of service and timeliness of responses, refunds and adjustments. This allows businesses to evaluate Finance's performance and helps the Ministry to determine potential improvements for the timeliness of responses, refunds and adjustments.

In 2014, surveys were sent to 531 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax and Corporation Capital Tax.

The biannual client satisfaction survey will be conducted again in 2016-17 as a means of measuring client satisfaction.

Overall Client Satisfaction



Effectively enforce Saskatchewan's tax programs utilizing additional audit resources and a comprehensive risk-based audit selection process.

- The monitoring of audit results and improvement of risk-based audit selection is a continuous process.

Improve voluntary compliance with businesses operating in Saskatchewan through additional proactive outreach and education activities.

- In 2014-15, a proactive compliance strategy was implemented that helps businesses comply with their tax obligations. Under the strategy, compliance officers proactively contact and meet with business owners to review the proper application of tax to their business transactions and provide education to promote voluntary compliance. This strategy complements ongoing work to provide tax inquiry services, tax information presentations, tax publication subscription services and written rulings.
- Compliance officers conducted more than 600 outreach visits to assist businesses with their tax obligations. In addition, more than 500 new businesses were contacted by phone and six tax presentations were completed to various industry associations.

Tax Administration Performance Measure

1. Benefit-Cost Ratio of Audit and Compliance Activities

The Ministry has increasingly placed more emphasis on promoting voluntary compliance of consumption tax statutes through education and outreach. The audit program remains an important tool to promote compliance with the province's tax laws and to ensure equity and fairness for all businesses operating in Saskatchewan.

The benefit-cost ratio (BCR) measures the value of audit and compliance activities in relation to the costs of performing these activities. In 2014-15, the Ministry achieved a BCR of 470 per cent, above the target of 380 per cent.

This means for each dollar spent on audit and compliance, the Ministry generated $4.70 of incremental revenue to be used for Government priorities, including; health care, education, social services and assistance as well as needed infrastructure like highways, schools and health care facilities.

Fiscal Year	Return on Investment	
	Target	Adjusted Actual
2013-14	380%	587%
2014-15	380%	470%

Source: Ministry of Finance, Revenue Division, Statistical Reports

Work with government agencies to make improvements and continue the transition of the Provincial Budget to a Summary Budget focus.

- The Ministry provided guidance and support to ministries and agencies to improve demonstration of alignment of Ministry plans to government priorities.
- The Ministry led a project team that recommended improvements to the planning, budgeting and reporting process and outcomes. Implementation of the recommendations will continue through 2016-17.

Public Reporting – other measures

The following government measures previously reported in the Ministry of Finance annual report are included in Public Accounts Volume 1 or the Saskatchewan Provincial Budget and will no longer be duplicated in the Ministry annual report:

- Government Debt as a Percentage of Gross Domestic Product (Debt-to-GDP ratio)
- Government General Public Debt
- Government Credit Rating
- Private Sector Forecasts of Real GDP Growth
- Total Capital Investment in Saskatchewan (Public and Private Investment)
- Public Service as a Percentage of the Saskatchewan Population

2014-15 Financial Overview

Ministry of Finance Appropriation and Expense

Program	(in thousands of dollars) 2014-15 Budget	2014-15 Actual	2014-15 Variance	
Central Management and Services	$6,503	$6,429	($74)	
Treasury and Debt Management	$2,326	$2,076	($250)	1
Provincial Comptroller	$11,608	$9,588	($2,020)	2
Budget Analysis	$5,434	$5,200	($234)	3
Revenue				
Revenue Division	$17,470	$15,187	($2,283)	4
Allowance for Doubtful Accounts	$900	$900	-	
CRA Income Tax Administration	$1,435	$1,435	-	
Commission to Collect Tax (Statutory)	$9,000	$10,197	$1,197	5
Personnel Policy Secretariat	$508	$471	($37)	
Research and Development Tax Credit	$15,000	$15,000	-	
Miscellaneous Payments				
Bonding of Public Officials	$45	$21	($24)	
Unforeseen and Unprovided For	$50	$4	($46)	
Implementation of Guarantees (Statutory)	$25	-	($25)	
Pension and Benefits				
Public Service Superannuation Plan (Statutory)	$135,570	$131,353	($4,217)	6
Members of the Legislative Assembly – Pensions and Benefits (Statutory)	$3,046	$2,972	($74)	
Judges' Superannuation Plan (Statutory)	$4,841	$5,681	$840	7
Public Employees Pension Plan	$64,344	$62,775	($1,569)	8
Canada Pension Plan – Employer's Contribution	$29,421	$28,857	($564)	8
Employment Insurance – Employer's Contribution	$14,504	$14,224	($280)	8
Workers Compensation – Employer's Assessment	$9,903	$9,899	($4)	
Employees' Benefits – Employer's Contribution	$38,380	$34,870	($3,510)	9
Services to Public Service Superannuation Plan (PSSP) Members	$1,356	$1,102	($254)	10
Public Employees Benefits Agency Revolving Fund – Subsidy	-	-	-	
Appropriation	**$371,669**	**$358,241**	**($13,428)**	
Less: Capital Asset Acquisitions	($2,200)	-	$2,200	11
Add: Capital Asset Amortization	$688	$606	($82)	
Expense	**$370,157**	**$358,847**	**($11,310)**	

Overview of Ministry Expense

In 2014-15, the Ministry had expenses of $358.8 million, $11.3 million under the Budget Estimate of $370.1 million. Excluding pensions and benefits, the Ministry spent $67.1 million, $1.7 million under the Budget Estimate of $68.8 million, primarily a result of under expenditures in salaries due to vacancies and other operating expenses.

Spending for pensions and benefits was $291.7 million, $9.6 million under the Budget Estimate of $301.3 million. This decrease was due to lower than anticipated costs under the Public Service Superannuation Plan (PSSP), as well as lower than anticipated salaries across government and lower premium rates. These decreases were partially offset by higher than anticipated costs under the Judges Superannuation Plan.

Explanation of Major Variances:

1. Lower than anticipated bank service charges, system consulting and support costs, and investing expenses.
2. Lower salaries due to vacancy management, as well as reduced central financial system support costs and operating expenses.
3. Lower salaries due to vacancy management, as well as reduced operating expenses.
4. Lower salaries due to vacancy management, as well as deferral of central revenue system upgrades due to pending replacement and reduced operating expenses.
5. Increased commissions as the number of Provincial Sales Tax vendors increased more than anticipated.
6. Decreased costs due mainly to lower than anticipated superannuation allowances paid to retirees and fewer retirements than anticipated.
7. Increased costs due mainly to more retirements than anticipated.
8. Decreased costs due to lower than anticipated salaries across government.
9. Decreased costs due to lower than anticipated salaries across government, as well as a lower than anticipated premium rate for the dental plan.
10. Decreased costs to administer the PSSP, mainly a result of lower salaries due to vacancy management in the Public Employees Benefits Agency (PEBA).
11. Costs for the Revenue Management System Project that were budgeted as capital asset acquisitions were recorded as expenses.

Ministry of Finance Revenue

Source	(in thousands of dollars) 2014-15 Budget	2014-15 Actual	2014-15 Variance
Corporation Income Tax	$949,900	$848,469	($101,431)
Fuel Tax	$532,400	$515,400	($17,000)
Individual Income Tax	$2,633,400	$2,546,577	($86,823)
Provincial Sales Tax	$1,405,800	$1,358,205	($47,595)
Tobacco Tax	$285,300	$260,696	($24,604)
Other Taxes	$353,400	$348,786	($4,614)
Taxation	**$6,160,200**	**$5,878,133**	**($282,067)**
Resource Surcharge	$449,100	$474,506	$25,405
Non-Renewable Resources	**$449,100**	**$474,506**	**$25,405**
Crown Investments Corporation of Saskatchewan	$150,000	$150,000	
- Special Dividend	$56,000	$56,000	
Saskatchewan Liquor and Gaming Authority	$491,800	$487,384	($4,416)
Other Enterprises and Funds	$25,300	$25,339	$40
Transfers from Crown Entities	**$723,100**	**$718,723**	**($4,376)**
Investment Income	$57,535	$81,979	$24,444
Motor Vehicle Fees	$199,700	$190,431	($9,269)
Other Fees and Charges	$3,150	$3,654	$504
Miscellaneous	$1,081	$1,429	$348
Other Own-Source Revenue	**$261,466**	**$277,493**	**$16,027**
Canada Health Transfer	$1,011,600	$998,393	($13,207)
Canada Social Transfer	$398,200	$397,679	($521)
Other	$2,261	$2,122	($139)
Transfers from the Federal Government	**$1,412,061**	**$1,398,194**	**($13,867)**
Total Ministry of Finance Revenue	**$9,005,927**	**$8,747,049**	**($258,878)**

Revenue Overview

The Ministry of Finance collects revenue relating to taxation, non-renewable resources via the Resource Surcharge, transfers from government entities, investment income, motor license fees, transfers from the federal government and other smaller revenue sources. All revenue collected is deposited into the GRF.

In 2014-15, the Ministry collected $8.7 billion in revenue; $258.9 million (2.9 per cent) lower than the Budget Estimate.

The following section describes the ministry's revenue sources and includes variance explanations for changes greater than $10 million.

Explanation of Major Revenue Variances

Corporation Income Tax

Corporation Income Tax (CIT) is administered on the province's behalf by the federal government using a common national determination of corporation taxable income. For a particular taxation year, the federal government makes installment payments to the province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e. the adjustment payment for the 2013 taxation year was received by the GRF in the fourth quarter of 2014-15).

CIT revenue was lower than the Budget Estimate by $101.4 million, or 10.7 per cent, primarily due to lower-than-expected 2013 tax assessments from resource-based companies.

Fuel Tax

Fuel Tax is levied on purchases of all types of fuel under the authority of *The Fuel Tax Act, 2000*. The tax ranges from a fixed rate of 1.5 cents per liter on aviation fuel to 15 cents per liter on gasoline and diesel. Saskatchewan provides a 100 per cent exemption for farm-use diesel fuel and diesel fuel used by primary producers in their off-road activities, as well as an 80 per cent exemption for farm-use unleaded gasoline purchased at bulk-fuel dealers. On-reserve retailers are also eligible to receive a refund of the Fuel Tax on eligible purchases by First Nation individuals, as are commercial aircraft carriers that purchase fuel for international flights.

Fuel Tax revenue was lower than the Budget Estimate by $17.0 million, or 3.2 per cent, primarily due to lower-than-expected 2013-14 results and their impact on the 2014-15 base, as well as weaker-than-expected growth in 2014-15.

Individual Income Tax

Saskatchewan's Individual Income Tax is administered on the province's behalf by the federal government using a common national determination of taxable income. For a particular taxation year, the federal government makes installment payments to the province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e. the adjustment payment for the 2013 taxation year was received by the GRF in the fourth quarter of 2014-15).

Individual Income Tax revenue was lower than the Budget Estimate by $86.8 million, or 3.3 per cent, primarily due to lower-than-expected growth in tax assessments for the 2013 tax year.

Provincial Sales Tax

The Provincial Sales Tax (PST) rate is a five per cent sales tax applied to the purchase, importation, or rental of certain goods and services. The value of the Saskatchewan Low-Income Tax Credit ($87.2 million in 2014-15) is deducted from PST revenue.

PST revenue was lower than the Budget Estimate by $47.6 million, or 3.4 per cent, primarily due to lower-than-expected results in 2013-14 and their impact on the 2014-15 PST base, as well as weaker-than-expected growth in the taxable consumption base in 2014-15.

Tobacco Tax

Tobacco Tax is levied on purchases of all types of tobacco under the authority of *The Tobacco Tax Act, 1998*. A component of Saskatchewan's Tobacco Tax is the refund available to on-reserve retailers for eligible purchases by First Nations individuals.

Tobacco Tax revenue was lower than the Budget Estimate by $24.6 million, or 8.6 per cent, reflecting lower-than-budgeted consumption.

Other Taxes

Other Tax revenue collected by the Ministry of Finance includes Corporation Capital Tax (CCT), Liquor Consumption Tax (LCT), Insurance Premiums Tax, Motor Vehicle Insurance Tax, Fire Prevention Tax and Succession Duties. CCT is a tax levied on Crown corporations and financial institutions on the amount of paid-up capital in excess of $10.0 million. An additional exemption of up to $10.0 million is available to corporations depending on the proportion of total wages and salaries that are paid in Saskatchewan. LCT is a 10 per cent tax on the total selling price of beer, wine and spirits. The various insurance taxes collected by the Ministry are primarily a levy on premiums, ranging from one to four per cent. *The Succession Duty Act* was repealed on January 1, 1977. Any revenue received is from prior to that date.

Resource Surcharge

The Resource Surcharge, levied under *The Corporation Capital Tax Act*, is charged against the value of resource sales of large resource corporations.

Resource Surcharge revenue was higher than the Budget Estimate by $25.4 million, or 5.7 per cent, primarily due to higher-than-budgeted installment payments from the oil and gas sector.

Crown Investments Corporation of Saskatchewan (CIC)

The regular CIC dividend is reviewed annually by Cabinet and the CIC Board, considering the financial requirements of both the GRF and Crown corporations. Any special dividend paid by CIC to the GRF is generally related to a one-time event, such as to fund a specific project.

Saskatchewan Liquor and Gaming Authority

The Saskatchewan Liquor and Gaming Authority (SLGA) dividend to the GRF is based on the net income of the Authority. The SLGA is responsible for the distribution, operation and regulation of liquor and gaming activity in the province, including responsibility for the Saskatchewan Indian and Gaming Authority (SIGA). Dividends from SLGA consist of retail liquor net income, gaming (VLT) net income and SIGA net income.

Other Enterprises and Funds

Other Enterprises and Funds include dividends paid to the GRF by other government enterprises and special funds. This includes half of Saskatchewan Gaming Corporation (SGC) net income, combined with one-time dividends from other government entities.

Investment Income

Investment Income includes interest received on bank deposits, sinking fund earnings, interest on advances, investments and accounts receivable and certain amounts recovered from Crown corporations.

Revenue was higher than the Budget Estimate by $24.4 million, or 42.5 per cent, primarily due to realized gains on the trading of sinking fund and Growth and Financial Security Fund assets.

Motor Vehicle Fees

Revenue from this source includes motor vehicle license, fees and registrations, and is collected by Saskatchewan Government Insurance (SGI) on behalf of the province. It does not include any insurance portion of vehicle plating costs.

Other Fees and Charges

Other Fees and Charges revenue at the Ministry of Finance consists of annual license and decal fees collected from inter-jurisdictional truckers under the International Fuel Tax Agreement (IFTA) and debt guarantee fees.

Miscellaneous

Other revenue consists of all other recurring operational revenue not otherwise classified, including refunds of prior-years' expenditures, recovery of loans, and contributions by employees and others to retirement and insurance plans.

Canada Health Transfer

The Canada Health Transfer (CHT) assists provinces and territories in maintaining the national criteria and conditions in *The Canada Health Act*. Beginning in 2014-15, funding for the CHT is made up of equal per-capita cash payments from the federal government to the provinces and territories, but prior-year adjustments to tax points will continue to impact annual CHT cash receipts through to 2016-17 when 2013-14 tax points are finalized.

CHT revenue was lower than the Budget Estimate by $13.2 million, or 1.3 per cent. The decrease is primarily due to negative prior-year adjustments as a result of higher federal estimates of income tax point values and revised population data indicating a decrease in Saskatchewan's share of the national population for 2012 and 2013 compared to budget assumptions.

Canada Social Transfer

The Canada Social Transfer (CST) assists provinces and territories in providing post-secondary education, social assistance and social services, including early childhood development and early learning and child care. Funding for the CST is made up of equal per-capita cash payments from the federal government to the provinces and territories.

Other Transfers from the Federal Government

Other federal transfer revenue consists of a legislated subsidy from the Government of Canada, as well as various federal-provincial cost-sharing agreements, including federal funding for targeted initiatives that are funded via third-party trusts and one-time payments.

Revolving Funds

The Ministry is responsible for the Public Employees Benefits Agency Revolving Fund that accounts for the administration costs of the various pension plans and benefit programs administered by PEBA. The costs incurred by the Fund for providing services are allocated to, and reimbursed primarily by, various pension and benefit plans. For more information about this Fund please visit the following website: http://www.peba.gov.sk.ca/about/annual-reports.html

For More Information

If you have any questions or comments, please call 1-866-862-6246.

For additional copies of this Annual Report, call 306-787-6623.

Information on all Saskatchewan Finance programs and services, as well as this Annual Report, can be accessed at http://finance.gov.sk.ca/.

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Consumption Tax Inquiries
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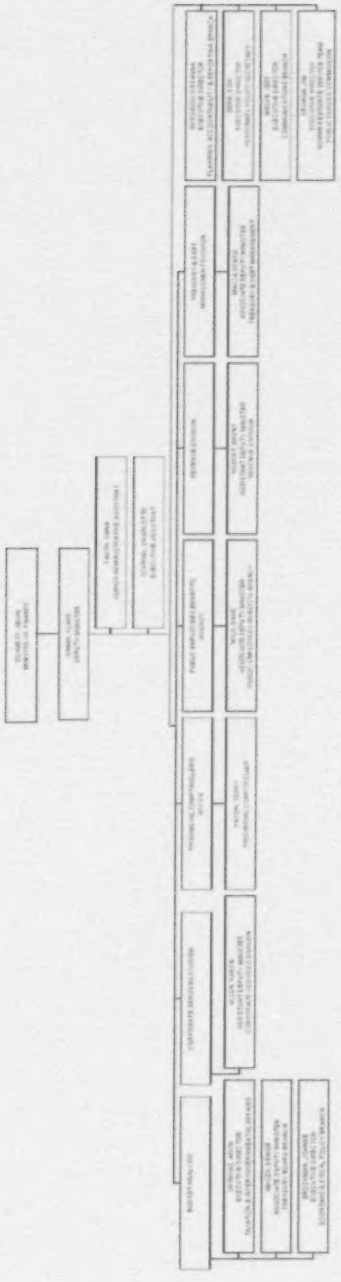
Appendix A: Organizational Chart



Appendix B: Legislation

Under Order-in-Council No. 239/2015 dated May 21, 2015, the Minister of Finance is responsible for the following Acts of the Legislative Assembly:

Accounting Profession Act
Certified Management Consultants Act
Corporation Capital Tax Act
Financial Administration Act, 1993
Fuel Tax Act, 2000
Growth and Financial Security Act
Home Energy Loan Act
Income Tax Act
Income Tax Act, 2000
Insurance Premiums Tax Act
Liquor Consumption Tax Act
Members of the Legislative Assembly Benefits Act
Motor Vehicle Insurance Premiums Tax Act
Municipal Employees' Pension Act
Municipal Financing Corporation Act
Political Contributions Tax Credit Act
Provincial Auditor Act
Provincial Sales Tax Act
Public Employees Pension Plan Act
Public Service Superannuation Act
Revenue and Financial Services Act
Saskatchewan Pension Annuity Fund Act
Saskatchewan Pension Plan Act
Statistics Act
Superannuation (Supplementary Provisions) Act
Tobacco Tax Act, 1998

Although not listed in the Order-in-Council, the Minister is also responsible for *The Appropriation Act.*

Government
of
Saskatchewan